

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TRUIST BANK,
Petitioner,

v.

UNITED SERVICES AUTOMOBILE ASSOCIATION,
Patent Owner.

IPR2023-00184
Patent 11,182,753 B1

Before KRISTEN L. DROESCH, STACEY G. WHITE, and
TERRENCE W. McMILLIN, *Administrative Patent Judges*.

DROESCH, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background

On November 15, 2022, Truist Bank (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–14 of U.S. Patent No. 11,182,753 B1 (Ex. 1001, “the ’753 Patent”). Paper 1 (“Pet.”). Petitioner also filed another petition in IPR2023- 00183 (“the ’183 IPR Petition”) challenging the same claims of the same patent. IPR2023-00183, Paper 1. In each proceeding, Petitioner filed a Notice ranking the ’183 IPR Petition first and this Petition second as the order Petitioner wishes the Board to consider the merits. Paper 3 (“Ranking Notice”). United Services Automobile Association (“Patent Owner”) filed a Preliminary Response (Paper 11, “Prelim. Resp.”) and a “Patent Owner’s Response to Petitioner’s Supplemental Paper and Notice Ranking Petitions” (Paper 12, “Ranking Resp.”). With our authorization, Petitioner filed a Reply to the Preliminary Response (Paper 13, “Prelim. Reply”) to which Patent Owner filed a Preliminary Sur-reply (Paper 15, “Prelim. Sur-reply”).

We have authority to determine whether to institute review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a). For the reasons provided below, we exercise our discretion under 35 U.S.C. § 314 to deny institution of *inter partes* review.

B. Related Matters

The parties indicate that Patent Owner asserted the ’753 Patent against Petitioner in *United Services Automobile Association v. Truist Bank*, 2:22-cv-00291 (E.D. Tex.) (“the district court proceeding”). Pet. 69; Paper 5, 2.

The parties identify that Petitioner concurrently filed a petition in IPR2023-00183 challenging the ’753 Patent and further identify that

Petitioner filed petitions in IPR2023-00143 and IPR2023-00144 challenging related U.S. Patent No. 10,482,432. Pet. 69; Paper 5, 2.

C. The '753 Patent (Ex. 1001)

The '753 Patent is titled “Systems and Methods for Remote Deposit of Checks.” Ex. 1001, code (54). The application that issued as the '753 Patent was filed on July 8, 2019, was a continuation application of a chain of numerous continuation applications, the earliest of which was filed on October 31, 2006. *Id.* at codes (22), (63).

The '753 Patent explains that there are advantages and disadvantages to using a check to purchase goods or services. *See* Ex. 1001, 1:53–2:42. One disadvantage is that “receiving a check may put certain burdens on the payee, such as the time and effort required to deposit the check,” because “depositing a check typically involves going to a local bank branch and physically presenting the check to a bank teller.” *Id.* at 2:18–22. To address this disadvantage, the '753 Patent provides a method “for remotely redeeming a negotiable instrument,” such as a check, using “a customer-controlled general purpose computer.” *Id.* at 2:50–54.

Figure 1 of the '753 Patent is reproduced below.

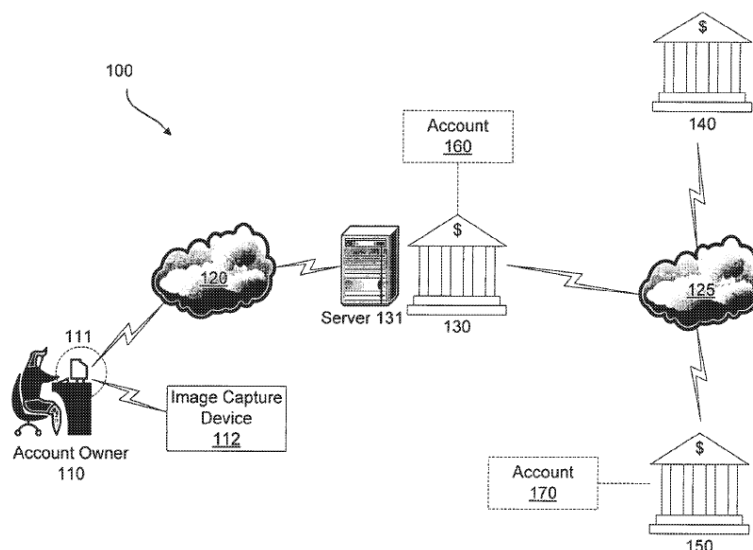


Figure 1 depicts a system in which the described method may be employed. *See* Ex. 1001, 3:30–31, 3:61–62. System 100 includes general purpose computer 111 and image capture device 112 associated with account owner 110 (e.g., a bank customer at his private residence), and several financial institutions 130, 140, and 150 (e.g., banks). *See id.* at 3:62–66, 4:18–21, 5:18–22. In operation, account owner 110 generates a check image with image capture device 112 and sends the image to financial institution 130 via general purpose computer 111. *See id.* at 6:17–21. After receiving the check image, financial institution 130 processes the check image, communicates with other financial institutions (e.g., 140 and 150) to clear the check, and deposits the check value into the owner’s account 160. *See id.* at 6:24–29.

Figure 3 of the ’753 Patent is reproduced below.

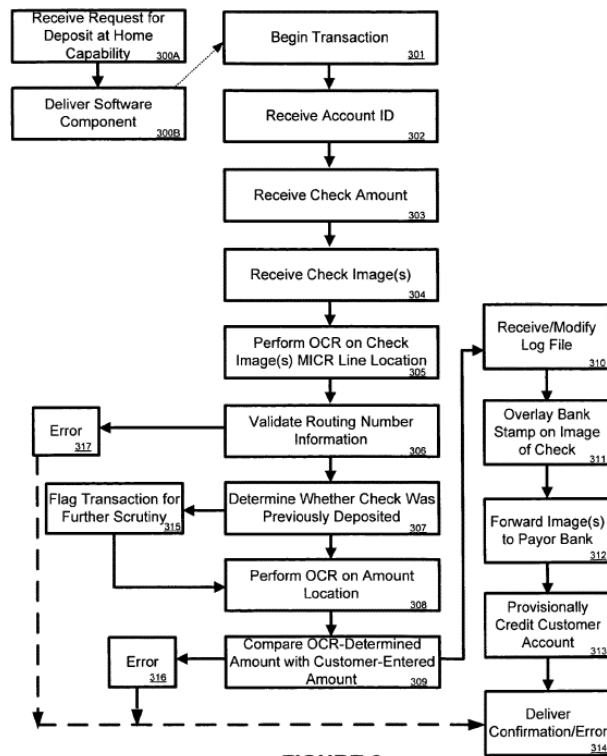


FIGURE 3

Figure 3 illustrates a method for processing a check deposit. *See* Ex. 1001, 3:35, 9:29. In particular, server 131 “receive[s] a request for deposit at home capability 300A, and in response delivers a software component to requesting customer 300B.” *Id.* at 9:35–38; *see id.* at 5:28–31. Thereafter, a transaction is initiated 301 when the customer indicates that a deposit transaction is desired. *See id.* at 9:45–46. In response, the financial institution electronics receive account identifier (ID) 302 and check amount 303. *See id.* at 9:48–50. When check image(s) are received 304, “an Optical Character Recognition (OCR) process may be invoked to determine certain information about the check,” including “the check’s MICR line location 305 to determine information such as payor bank routing number, account number, and check number.” *Id.* at 9:54–58. The bank routing number is then validated 306 against a list of valid routing numbers to ensure that it corresponds to a legitimate bank. *See id.* at 9:59–61. In some embodiments, “the OCR is conducted in real time, i.e., prior to confirming the deposit transaction for the customer, so as to validate some initial deposit information immediately, and thereby filter transactions that may result in errors were the OCR to be conducted at some later time.” *Id.* at 9:63–10:1. “If the routing number determined using OCR cannot be validated, an error may result 317, and the deposit transaction can be aborted.” *Id.* at 10:25–27. In addition, a “duplicate checking procedure may be carried out to determine whether the check was previously deposited 307” and “the transaction may be flagged for further scrutiny 315 at a later time.” *Id.* at 10:30–31, 10:67–11:2. Further OCR may be performed on “check amount location 306, and the amount as determined using OCR may be compared against the customer-entered amount received pursuant to step 303.” *Id.* at 11:5–8. An error 316 can result when the amounts do not

match causing termination of the transaction and delivery of appropriate error information to customer 314. *See id.* at 11:8–11.

D. Challenged Claims

Petitioner challenges claims 1–14 of the '753 Patent. Claims 1 and 8 are independent and claims 2–7 and 9–14 depend therefrom, respectively.

Claim 1 is representative and reproduced below:

[1P] A system comprising:

[1A] a memory; and

[1B] a processor in communication with the memory, the processor configured to:

[1C] receive an image of a check captured by an image capture device coupled to a remote user device, wherein the image of the check is in a first electronic data format;

[1D] perform optical character recognition in real-time on the image of the check to determine information about the check, including optical character recognition of a Magnetic Ink Character Recognition (MICR) line in the image of the check;

[1E1] generate a supplemental image of the check in a second electronic data format from the image of the check in the first electronic data format, [1E2] wherein an image quality of the check in the first electronic data format is a higher image quality than an image quality of the check in the second electronic data format and [1E3] the second electronic data format is configured for an electronic bank-to-bank image transfer;

[1F] validate the determined information about the check;

[1G] deposit the check into a customer account based on the determined information from the image of the check and based on the supplemental image of the check; and

[1H] after validating the determined information, transmit a confirmation message indicating that the customer account has been credited in an amount corresponding to the determined information obtained by the optical character recognition performed on the image of the check;

[1I] wherein the image of the check is received over a secure connection and data communicated over the secure

connection is at least one of inaccessible or indecipherable by an unauthorized third party.

Ex. 1001, 14:34–15:2 (Petitioner’s references added in brackets).

E. Asserted Patentability Challenges and Asserted Prior Art

Petitioner presents the following grounds of unpatentability (Pet. 2):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 8	103(a) ¹	Garcia ² , Randle ³ , Slater ⁴
2, 9	103(a)	Garcia, Randle, Slater, Maloney ⁵
3–7, 10–14	103(a)	Garcia, Randle, Slater, Maloney, Viera ⁶

Petitioner also relies on the testimony of Dr. David Doermann (Ex. 1003).

II. DISCRETIONARY DENIAL

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a); *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“§ 314(a) invests the Director with discretion on the question whether to institute review”) (emphasis omitted); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). The Patent Trial and Appeal Board

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. The ’753 Patent claims priority to an application filed before that date, so we refer to the pre-AIA version of § 103, but our findings and analysis would be the same under the current version of the statute.

² WO 2005/043857 A1, published May 12, 2005 (Ex. 1010). Petitioner relies on a certified translation of this publication, which also appears in Exhibit 1010.

³ US 2006/0106717 A1, filed May 15, 2004, published May 18, 2006 (Ex. 1011).

⁴ US 7,792,753 B1, issued Sept. 7, 2010 (Ex. 1007).

⁵ US 7,028,886 B1, filed Nov. 19, 2004, issued Apr. 18, 2006 (Ex. 1012).

⁶ US 8,131,636 B1, filed May, 5, 2005, issued Mar. 6, 2012 (Ex. 1013).

Consolidated Trial Practice Guide (Nov. 2019) (“Trial Practice Guide” or “CTPG”⁷) states that generally “one petition should be sufficient to challenge the claims of a patent in most situations” and that “multiple petitions by a petitioner are not necessary in the vast majority of cases.”

CTPG 59. According to the CTPG,

Two or more petitions filed against the same patent at or about the same time (e.g., before the first preliminary response by the patent owner) may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns. *See* 35 U.S.C. § 316(b). In addition, multiple petitions by a petitioner are not necessary in the vast majority of cases.

CTPG 59 (citing 35 U.S.C. § 316(b)). The Board further recognizes,

there may be circumstances in which more than one petition may be necessary, including, for example, . . . when there is a dispute about priority date requiring arguments under multiple prior art references. In such cases two petitions by a petitioner may be needed, although this should be rare.

CTPG 59. To aid the Board, a petitioner who files parallel petitions should “identify: (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits . . . , and (2) a succinct explanation of the differences between the petitions” *Id.* at 59–60.

As noted above in Section I.A., Petitioner concurrently filed the ’183 IPR Petition also challenging the same claims of the ’753 Patent. Our determination whether to institute review based on multiple petitions takes into consideration the aforementioned guidance provided in the Trial Practice Guide for situations where a petitioner has concurrently filed parallel petitions challenging the same patent. Pursuant to this guidance,

⁷ Available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf?MURL=>

Petitioner filed its Ranking Notice, in which it requests that “if the Board decides to institute only a single petition against the ’753 patent, Petitioner requests that the Board institute IPR2023-00183.” Ranking Notice 4.

Petitioner asserts that all three grounds raised in the ’183 IPR Petition rely on Popadic and all three grounds raised in this Petition rely on Garcia. *See id.* at 2.

Petitioner contends that two petitions are justified and both should be granted because “[t]he two petitions rely on different primary references because of different priority dates that may be asserted by Patent Owner.” Ranking Notice 1; *see id.* at 1–3. More specifically, Petitioner asserts that it expects Patent Owner to dispute whether the ’753 Patent is subject to the AIA and whether Popadic (the primary reference in the ’183 IPR Petition) is entitled to an earlier effective filing date of its provisional application. *See id.* at 2. Petitioner asserts that this Petition raises grounds based on Garcia, which cannot be antedated. *See id.* at 2–3. Petitioner points to the Trial Practice Guide, which identifies this type of situation as a circumstance in which more than one petition may be necessary.” *Id.* at 3 (quoting *Medtronic, Inc. v. Teleflex Innovations S.A.R.L.*, IPR2020-00136, Paper 20 at 39 (PTAB June 26, 2020; citing CTPG 59; *10X Genomics, Inc. v. Bio-Rad Labs.*, IPR2020-00088, Paper 8 at 47 (PTAB Apr. 27, 2020)). According to Petitioner, “two petitions were needed to explain the prior art status of each reference and address Patent Owner’s expected arguments within the word limits.” *Id.* at 4; *see id.* at 1. Petitioner contends that the Board should grant both Petitions as contemplated in the Trial Practice Guide. *See id.* at 1, 4.

In response to the Ranking Notice, Patent Owner asserts that although the Trial Practice Guide indicates that a dispute about priority date may justify multiple parallel petitions, it further states that “the patent owner may

seek to avoid additional petitions by proffering a stipulation that certain claim limitations are not disputed or that certain references qualify as prior art.” Ranking Resp. 2 (quoting CTPG 59, 61). Patent Owner contends that the Board has declined to consider additional petitions where a patent owner has stipulated that it will not attempt to antedate a reference subject to a priority date dispute. *See id.* at 2–3 (quoting *Apple Inc. v. Seven Networks, LLC*, IPR2020-00254, 2020 WL 4341801 at *3 (PTAB July 2020)). Patent Owner asserts that it offers the same stipulation as *Seven Networks* by stating that “Patent Owner will not challenge Popadic’s status as prior art in the IPR2023-00183 proceeding.” *Id.* at 3. According to Patent Owner, because it offers the necessary stipulation, “there is no basis for the Board to consider multiple parallel petitions against the ’753 patent.” *Id.* Patent Owner asserts, “given the lack of justification for multiple petitions, the Board should exercise its discretion to deny institution of the second-ranked IPR2023-00184 petition and only consider IPR2023-00183, consistent with the Trial Practice Guide’s guidance.” *Id.* at 3–4 (quoting CTPG 59).

In the Reply to the Preliminary Response, Petitioner for the first time states that it “elects IPR2023-00184 as its primary petition” “[i]n view of the Board’s Final Written Decision in IPR2021-01077 recently issued on a related patent.” Prelim. Reply 1. According to Petitioner, “[t]he Board’s findings in that Decision necessitate the Board’s review of the Garcia grounds on the similar ’753 patent claims, and many of the findings from that Decision apply directly to IPR2023-00184, including that the art satisfies [Patent Owner]’s narrow claim interpretation.” *Id.*

Petitioner asserts that Patent Owner’s stipulation not to challenge Popadic’s status as prior art in the IPR2023-00183 proceeding does not necessitate denial of institution in this proceeding because Patent Owner’s

“reasons for making the stipulation are suspect.” Prelim. Reply 1.

According to Petitioner, Patent Owner “makes this concession in an attempt to avoid the prior art applied in this IPR because a recent final written decision (1) addressed a related patent with the same specification and overlapping claim language with the ’753 patent and (2) found those related claims unpatentable based on the same art as applied in this IPR.” *Id.*

Petitioner further contends that Patent Owner “wishes to avoid those similar grounds because 37 CFR § 42.73(d)(3)(i) prohibits taking actions inconsistent with the Board’s related unpatentability findings—including relitigating the disclosures of the references or the motivations to make the same combinations at issue here.” *Id.* In support of its argument Petitioner asserts that the Preliminary Response impermissibly rehashes the same alleged point of novelty already rejected in the Final Written Decision of IPR2021-01077. *See id.* at 2 (citing 37 C.F.R. § 42.73(d)(3)(i)), 4 (citing 37 C.F.R. § 42.73(d)(3)(i)); *see also id.* at 2–3 (addressing findings of 1077 Final Written Decision, quoting Ex. 1027, 10, 32–33, 43–44, 63–64). According to Petitioner, “[d]espite [Patent Owner]’s tactical stipulation, the relevance of the Board’s 1077 FWD to this proceeding, coupled with Petitioner’s election of this petition, weigh heavily in favor of institution.” *Id.* at 4.

Petitioner further contends that the stipulation contradicts and “flips [Patent Owner]’s positions taken in District Court, which prejudiced [Petitioner].” Prelim. Reply 1–2; *see id.* at 4–5 (quoting Ex. 1028, 23–24; IPR2023-00183, Paper 11, 13). According to Petitioner, “[h]ad [Petitioner] not had to prove Popadic’s status as prior art, both the Garcia grounds of IPR2023-00184 and the Popadic grounds of IPR2023-00183 would have fit within a single petition, obviating this entire dispute.” *Id.* at 2; *see also id.*

at 6 (similar argument). Petitioner further asserts that the inconsistency between Patent Owner's stipulation and its position in the district court proceeding prevented Petitioner from raising all grounds in a single petition because Petitioner was required to dedicate significant space (1832 words and 10% of the Petition) to address Popadic's status as prior art. *See id.* at 4–5. According to Petitioner, “[i]f [Patent Owner] had conceded that the ’753 patent is not entitled to the earliest claimed priority date in the district court proceeding, [Petitioner] could have omitted the priority discussion and combined the two IPR petitions into one because of the similar secondary references in each.” *Id.* at 5 (citing Ranking Notice 1–2). Petitioner also asserts that Patent Owner's stipulation is incomplete because the stipulation language specifying “in the IPR2023-00183 proceeding” does not prevent Patent Owner from asserting an earlier priority date or contesting Popadic's prior art status in other proceedings. *See id.* at 4.

In response to Petitioner's new designation of the first ranked petition, Patent Owner contends that Petitioner should not be permitted to redesignate its second-ranked petition as the first ranked petition after seeing Patent Owner's arguments on the merits in the Preliminary Responses. Prelim. Sur-reply 1–2. Patent Owner asserts that it “should not be punished from following the Office's express guidance and proffering a stipulation to avoid multiple petitions by obviating the alleged dispute about prior art status applicable to the first-elected petition.” *Id.* at 1 (citing CTPG 61); *see id.* at 5 (citing CTPG 61). According to Patent Owner, “[a]s the Board's Regulations, the Federal Circuit, and the Supreme Court have emphasized, ‘the petitioner is master of its complaint and the petition, once filed, should not be a moving target for Patent Owner or the Board.’” *Id.* at 2 (quoting *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d. 1359, 1369

(Fed. Cir. 2016); citing 35 U.S.C. 312(a)(3); *SAS v. Iancu*, 138 S.Ct. at 1355). Patent Owner contends that Petitioner should be held to its strategic choices regarding ranking and notes that Petitioner cites no case to support its “proposition that a petitioner should be permitted to revise its ranking after Patent Owner has already prepared and filed its Preliminary Responses and made its own strategic decisions, in reliance on Petitioner’s election, about what arguments to emphasize in those responses.” *Id.* at 2; *see id.* at 7.

Patent Owner also asserts that Petitioner’s arguments regarding 37 C.F.R. § 42.73(d)(3)(i) are not applicable because none of the claims at issue in the IPR2021-01077 proceeding have been finally refused or cancelled because Patent Owner intends to appeal the Final Written Decision to the Federal Circuit and no certificate cancelling the claims has been issued. *See* Prelim. Sur-reply 3 (citing 37 C.F.R. § 42.80; *Regents of the Univ. of Minn. v. LSI Corp.*, 926 F.3d 1327, 1345 (Fed. Cir. 2019)). Patent Owner further disputes Petitioner’s contentions regarding any similarities between the issues raised in the Preliminary Response and those at issue in IPR2021-01077. *See id.* at 3–4 (citing Prelim. Resp. 18–21; Ex. 1027, 9–10, 25).

In response to Petitioner’s assertion that the stipulation is ineffective because it is limited to the IPR2023-00183 proceeding, Patent Owner points out that IPR2023-00183 is the only proceeding before the Board where Popadic’s prior art status is at issue and the Board has declined to institute parallel petitions based on identically worded stipulations. *See* Prelim. Sur-reply 5–6 (quoting *Apple v. Seven Networks*, WL4341801 at *3). “[T]o avoid any possible prejudice, [Patent Owner] will also stipulate not to challenge Popadic’s status as prior art to the ’753 patent in the related

district court proceeding if the Board denies institution of IPR2023–00184.”
Id. at 6.

We agree with Patent Owner that Petitioner should be bound to its initial ranking of the ’183 IPR Petition as the first ranked of the concurrently filed parallel petitions. As pointed out by Patent Owner, Petitioner does not cite any cases to support the proposition that it is permissible to redesignate a first ranked petition after the filing of preliminary responses. *See* Prelim. Sur-reply 2. Moreover, although Petitioner relies on the Board’s Final Written Decision in IPR2021-01077, as a reason to redesignate the first ranked petition, we note it was foreseeable that the Final Written Decision would issue in January approximately one year after trial was instituted in IPR2021-01077. It was also a foreseeable possibility that all of the claims might be found unpatentable on the basis of Garcia, Randle, and Slater in the Final Written Decision of IPR2021-01077 as it was one of three possible outcomes (i.e., finding all, some, or none of the claims unpatentable). Likewise, it was also a foreseeable possibility that Patent Owner might stipulate not to challenge the prior art status of Popadic because such stipulations are expressly suggested in the Trial Practice Guide as way for a patent owner to avoid additional petitions. *See* CTPG 61. These foreseeable circumstances do not provide sufficient reason or justification to permit Petitioner to now designate this Petition as the first ranked petition. Accordingly, we determine that Petitioner is bound to its initial designation ranking the 183 IPR Petition ahead of this Petition.

Under the present circumstances, where Patent Owner has stipulated not to challenge the prior art status of Popadic and we concurrently institute trial based on the higher ranked petition filed in IPR2023-00183, we are not persuaded that two petitions are warranted. Because there is no dispute that

Popadic is prior art, there is no need to consider the merits of a second petition.

For the foregoing reasons, Petitioner does not sufficiently justify the need for two petitions against the same claims of the '753 Patent. In light of the totality of the circumstances, including that we concurrently institute *inter partes* review in IPR2023-00183 challenging the same claims of the '753 Patent on all grounds, we exercise discretion under 35 U.S.C. § 314(a) and decline institution in this proceeding.

III. CONCLUSION

Pursuant to 35 U.S.C. § 314(a), we decline to institute *inter partes* review in this proceeding.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no trial is instituted.

IPR2023-00184
Patent 11,182,753 B1

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